



NEWS RELEASE

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I-Bank Board Approves Funding for King City School District, Pepperdine University and PG&E

Sacramento, CA – The California Infrastructure and Economic Development Bank (I-Bank) Board today announced the approval of the following financings:

- \$16 million in State School Fund Apportionment Lease Revenue Bonds for the King City Joint Union High School District in Monterey County, California.
- \$16 million in 501(c)(3) Revenue Bonds for Pepperdine University in Malibu, California.
- \$50 million in Exempt Facility Revenue Bonds for Pacific Gas and Electric Company (PG&E) in Northern and Central California

"These bonds will help in our continued efforts to keep California competitive by assisting financially troubled school districts and helping lower the costs for college students and electricity ratepayers," said I-Bank Executive Director, Stan Hazelroth.

King City Joint Union High School District

King City Joint Union High School District is a 9-12th grade public high school district, which consists of approximately 2,500 square miles in California's Salinas Valley. The District operates two 9-12th grade comprehensive high schools and two alternative education (continuation) high schools located on the high school sites. The enrollment for the 2009-2010 school year is 2,134 students, and the District has approximately 150 employees. Each year the State of California provides funding to school districts via apportionments from, among other things, the State School Fund, calculated in accordance with the Education Code. When the annual apportionments from the School Fund, together with Federal and local sources, have not been sufficient to pay the expenses of a certain school district, the financially troubled school district may apply to the State for one or more additional apportionments from the California State General Fund on an emergency basis. An Emergency Apportionment is considered an advance of a school district's future apportionment funds. The proceeds of the Bonds will be used to repay the \$5,000,000 emergency apportionment (including accrued interest) made from the State General Fund to the District, and fund an \$8,000,000 increase to that emergency apportionment. The State's General Fund will be reimbursed for approximately \$5 million plus accrued interest owed by the District and the Bonds will provide an additional emergency apportionment to the District to help mitigate its financial distress.

Pepperdine University

Pepperdine University is an independent, non-profit, privately endowed institution with approximately 7,700 students in five colleges and schools. I-Bank Bond proceeds will be used to refund an outstanding tax-exempt California Educational Facilities Authority (CEFA) Revenue Bonds issue. The proceeds of the CEFA Bonds were used to fund the construction of a Business and Communications building, a Science Center, and a student service and recreation village. Pepperdine estimates that the \$1.3 million present value cash flow savings from the refinancing could provide an additional 74 University students an average financial aid award of \$17,800. The savings from the refinance could also allow the university to direct more of its internal resources towards funding the sponsorship of events and seminars open to the general

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public such as Time Management Workshops, Job Hunt Strategies and Cover Letter Workshop, and a Mock Interview Program.

PG&E

PG&E is one of the largest investor-owned natural gas and electric utilities in the United States, serving approximately 5.1 million electricity distribution customers and approximately 4.3 million natural gas distribution customers throughout northern and central California. I-Bank bonds will be exchanged for existing tax-exempt California Infrastructure and Economic Development Bank Refunding Revenue Bonds. The proceeds of the previously issued bonds were used to repay interim financing obtained by PG&E as part of its plan of reorganization in bankruptcy. The financing was used to refund bonds previously issued for the purpose of financing air and water pollution control and sewage and solid waste disposal facilities at the Geysers Geothermal Power Plant and the Diablo Canyon Nuclear Power Plant. PG&E anticipates that the exchange, together with a public remarketing, will save an estimated \$1.4 million for customers in interest costs over the next 5 years.

The I-Bank is the State of California's only general purpose financing authority and has broad statutory powers to issue revenue bonds, make loans, and provide credit enhancements for public infrastructure and economic development projects throughout the State and for other governmental purposes. Through its Revenue Bond Programs, the I-Bank issues tax-exempt and taxable revenue bonds for qualified California manufacturing companies creating and retaining jobs in the state, for 501(c)(3) nonprofit entities to facilitate research, cultural and other public purposes, and for other governmental entities. The I-Bank also administers a low-interest loan program for municipal entities for a variety of public infrastructure. The mission of the I-Bank is to finance public infrastructure and private development that promote economic growth, revitalize communities and enhance quality of life for Californians.

More information about the I-Bank is available at www.ibank.ca.gov.

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